

committed at Enron, Tyco, and other companies would not have been prevented if expensing had been the accounting rule of the day.

If, however, companies are forced to expense stock options, most will drop or severely limit employee option plans because of the prospect of taking a huge and misleading charge against their bottom line in accounting statements. And if mandatory expensing is implemented, most stock options plans will likely be taken away from rank-and-file employees and reserved exclusively for top executives. This is already occurring in anticipation of the new FASB rule.

It's ironic that many are calling for the expensing of stock options in order to reign in executive compensation, when expensing stock options would do little to accomplish this. Stock option plans or other forms of lucrative compensation for senior executives will undoubtedly continue to be offered.

Rather, rank-and-file employees would be the ones to lose, because they don't get to negotiate with a Board of Directors for their compensation package. Consider this: Only a small portion of employee held options—about 15 percent—are held by corporate management. 14.6 million American workers (13 percent of private-sector workers nationwide) held stock options in 2002.

Some have also argued that FASB's independence must be protected and accounting standards, like other technical rules, should not be set by Congress. While in general this is the case, there are many occasions when expert bodies fail to fully protect the public interest and it's essential that Congress steps in.

For example, the Securities and Exchange Commission, an independent, expert agency, failed to adequately protect investors and the public from the corporate scandals of recent years: Congress stepped in to enact the reforms of the Sarbanes-Oxley Act.

In this case, FASB has concluded this important rulemaking process without the transparency, deliberation, or justification that Congress and the American public should demand. At the outset of its consideration of the expensing rule, the Board Chairman and other Members announced their positions before a single comment from the public was solicited, proceeded to discourage comments on key questions, and disregarded the overwhelming majority of comments it received. The Board refused to conduct "road tests" of actual valuation models or of the real costs associated with implementing any new standard. They've also refused to respond to recommended alternatives and compromises.

It's not reasonable to dismiss Congress's responsibility in these matters and ignore the serious shortcomings of FASB's rulemaking on a matter with such important and far-reaching consequences for our economy and our global competitiveness.

The Broad-Based Stock Option Plan Transparency Act would simply ensure that the rules are not implemented before the potential impact of mandatory expensing is given full consideration. The bill includes a 3 year moratorium to allow the SEC to study the impact expensing options may have on our economy and on small, entrepreneurial businesses.

Given the radical change the new rules would establish and the potentially devastating impact on employee ownership programs,

Congress has the responsibility to make sure that rules governing stock options are appropriate and implemented responsibly.

Our bill would also enact new disclosure rules for companies who offer stock options. The legislation requires those who offer stock options to disclose additional information to every shareholder and potential investor, including plain-English descriptions of share value dilution, expanded and more prominent disclosure of stock option-related information, and a summary of stock options granted to the five most highly compensated officers.

I urge my Colleagues to support this legislation and protect broad-based employee ownership programs.

#### RECOGNIZING BRIAN K. PLUM

#### HON. ERIC CANTOR

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, February 17, 2005*

Mr. CANTOR. Mr. Speaker, I rise today to recognize the remarkable contributions of Brian K. Plum to the Page County Republican Committee during his service as chairman and for his service to the Town of Shenandoah in Virginia's Seventh District.

Brian's dedication to grassroots activism is evident by his many years of service to the Page Committee. At a young age, Brian was active in the party and organized the Young Republicans at Page County High School. During his three years as chairman, Brian continued to work tirelessly to organize and grow the committee. In that time, I had the pleasure of observing Brian's commitment and dedication to our party. His strong leadership and common sense have had tremendous effects on the committee, have ensured its success and growth, and quickly allowed him to gain the respect of many established and active members.

Brian's commitment to his community extends beyond his work as chairman. Brian serves as the treasurer for Citizens of Shenandoah and the Shenandoah Community Library. He is also a volunteer with and member of numerous community organizations including the Shenandoah Heritage Center, Lafayette Lodge #137 and the Shriners. Currently, Brian serves the citizens of the Commonwealth of Virginia in the Office of the Attorney General as a Senior Budget Analyst. Brian's commitment to service and his desire to work for the good of his community are a remarkable example to all.

Mr. Speaker, I hope you will join me in recognizing Brian and offering our most sincere thanks to Brian and his wife, Jenny, for their years of service.

#### TRIBUTE TO THE LESTER A. DRENK BEHAVIORAL HEALTH CENTER

#### HON. JIM SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Thursday, February 17, 2005*

Mr. SAXTON. Mr. Speaker, I rise today to pay tribute to the Lester A. Drenk Behavioral Health Center, which will celebrate its 50th an-

niversary in 2005. Founded by Judge Lester A. Drenk and the Board of Chosen Freeholders of Burlington County as the Burlington Guidance Center on December 31, 1954, this organization has helped adolescents with serious mental health issues for half a century.

Judge Drenk saw many of these adolescents in his courtroom and felt compelled to help them rather than remand them to the juvenile justice system. Beginning with 16 boys, in a building purchased by the Freeholders, the program has treated over 100,000 consumers since its inception.

Currently serving over 8,700 consumers each year in a variety of programs including the Screening and Crisis Intervention Program; Outpatient Services; Supportive Housing for the homeless mentally ill; Host Homes, a series of programs offering temporary shelter for children; Family Crisis Intervention Unit; School Based Youth Services; Family Matters; and many other services so needed by troubled youth, this vital program continues its mission of assisting those in need in our community.

I congratulate the Drenk Behavioral Health Center on this milestone in their history, and wish them many, many more years of success.

#### HONORING MICHAEL E. FOX, SR.

#### HON. ZOE LOFGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, February 17, 2005*

Ms. ZOE LOFGREN of California. Mr. Speaker, today I rise on my behalf and the behalf of Mr. MICHAEL HONDA to pay tribute to Mr. Michael E. Fox, Sr. and his lifelong dedication to community service and the public good.

Michael E. Fox, Sr. was born on September 23, 1936 in Chicago, Illinois. Mike graduated high school in 1954 from Campion Prep School in Prairie DuChien, Wisconsin. From there he earned his bachelor's degree from the University of Notre Dame in 1958 and continued on to do his post-graduate work at the Siebel Institute of Technology studying Brewing Science. That training foreshadowed Mike's eventual establishment of M.E. Fox & Company in 1965, a major distribution company in the Silicon Valley. Before Michael made his great entrepreneurial leap, he married Mary Ellen Croke. Mike and Mary Ellen have been married for almost forty-six years and have six children.

Mike is known throughout the Bay Area for his generosity and willingness to help those less fortunate. In countless instances, Mike has used his name to support worthy causes that simply needed the recognition of a respected member of society to open doors to a wider audience. Much of Mike's generosity is due to an upbringing which stressed charity and caring of those around him, regardless of whether he knew them well or not.

Mike's devotion to community is never more apparent than in his service to San Jose's East Side Union High School District. Whether it was providing flatbed trucks for floats, paying SAT testing fees for students who could not afford them, or spearheading the Animation Studio project, Mike used his professional